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**Long Term Hotel Monitoring Study
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LONG TERM HOTEL MONITORING STUDY

- a Feasibility Study for Hotels
of the Northwest Territories

Prepared by:

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For:

Division of Tourism and Parks,
Government of the Northwest
Territories,
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XIA 2L9

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Tourism and Parks Division
Northwest Territories Economic
Development and Tourism
Government of the North West Territories
Yellowknife, N.W. T.
X1A 2L9

Attention: Mr. Keith Thompson,
Program Development & Research Advisor,
Tourism and Parks Division

Dear Sirs:

Re: Long Term Hotel Monitoring Study

In accordance with the terms of our engagement, we present on the following pages a report with reference to the potential development of a hotel monitoring system for a wide selection of North West Territories hotels.

The conclusions and recommendations herein contained pertain only to the locations described and under conditions prevailing at the time of our field work, completed on July 29, 1985.

We concluded, that there are net benefits in conducting the long-term monitoring program. Certain conditions would have to be met in order to provide useful information, and to develop it at a reasonable cost. These are stated in our report.

We have prepared the accompanying report for your information and guidance. We have no objections to reproduction and distribution of the report provided it is done in its entirety.

Once you have had an opportunity to review our findings, we would be pleased to discuss of them with you.

Yours very truly,



LAVENTHOL & HORWATH

WBB:WLH:msm:0508m
Enclosures

TABLE OF CONTENTS

	<u>Page</u>
SCOPE OF STUDY	1
LONG TERM MONITORING PROGRAM	2
- Profile Of Projects	
- Areas Of Interest Of The Hotel Operators	
- Record Maintenance Analysis	
- Project Costs	
CONCLUSION	6
APPENDIX - List of Hotels	7



SCOPE OF OUR STUDY

The Tourism and Parks Department of the Government of the Northwest Territories (GNWT) commissioned Laventhol & Horwath to determine the feasibility of:

- . Maintaining a long-term monitoring program for selected hotels throughout the North West Territories.

Specifically, Laventhol & Horwath:

- . Toured properties and interviewed key management personnel to determine their willingness to contribute to the proposed program.
- . Gathered information on hotels' specific needs and wants with respect to a monitoring program.
- . Reviewed record keeping formats to see what changes should be made, if any, for the provision of information to the monitoring program.
- . Developed the minimum criteria for a representative sample.
- . Completed the accompanying report, containing our comments and conclusions.



LONG TERM MONITORING PROGRAMProfile of Properties

The suggested sample for determining the feasibility of conducting a long-term monitoring program included a variety of property types:

The largest was 150 rooms, the smallest was 11 rooms.

The amenities offered also varied widely, from full food and beverage facilities (dining room, coffee shop and licensed lounge), to very limited food and beverage (one room, dormitory style service). The average room complement was 52; in the Northwest Territories west of Cambridge Bay it was 52, and 40 east of Cambridge Bay.

Most of the properties were less than three storeys high, the majority being a series of trailers set up in some formation. The front desk functions of several of the properties were informal and limited, with some computerization. The sample of hotels is listed in the appendix.

Areas of Interest of Hotel Operators

From our field work, preliminary review of the properties and subsequent discussions with owners and operators, several issues came to light. Operating statistics trends (ie. labour, food costs, utilities) are not the primary concern of operators on a continuing basis, rather they see the need for more detailed data on current and potential available markets by segment.



Specifically, the hotel operator is looking for information on the following:

- . Who visits the communities
- . Origin of visitors
- . Method of transportation into the Northwest Territories
- . Purpose of trip
- . At what times of the year are they traveling
- . Type of accommodation used.

The source of this information is generally available from guest registration cards. It would be necessary for a designated individual at each hotel to maintain records based on a continuing registration card analysis, collating this information into usable form.

In addition to statistics provided by the various hotel and motel operators, market information should also be available from the various airlines serving the Northwest Territories, campgrounds, and outfitters. Highway traffic counts, and other highway related information will also be useful. Detailed user statistics, similar to those gathered from hotel registration cards would be available from these businesses. Airline passenger profiles including origin and destination as well as total number of travelers per flight on a weekly, monthly and annual basis could be developed.

Campground statistics on origin, destination, numbers per party and length of stay would aid in profiling the typical user. This format could also be applied to the outfitters and their camps.



The viability of a long term monitoring program which encompasses these various businesses operating in the Northwest Territories depends entirely on their willingness to provide information to the consultant, on a regular and continuing basis.

The comprehensive range of information collected and published is of great importance. As a result of the diverse nature of the various regions, market statistics in one region may not be applicable to a neighboring area. Published data would therefore not be relevant for comparative purposes. To provide data which can be compared within the given region, at least 50% of the facilities in that area would be required to report. We see no problem utilizing the current Government of the Northwest Territories administrative regions as basis for separation of the study, provided the minimum (50%) sample is attained.

Operators are also interested in periodic reviews of major operating cost components (labour, food and beverage, utilities). This information would be used to develop operating "norms" for the various regions within the Northwest Territories, and permit operators to more professionally execute their fiscal responsibilities, enhancing profitability.

Record Maintenance Analysis

Market data are available from all properties in the suggested sample; all have guest registration cards which provide origin, destination and purpose of trip information. Occupancy and average room rates statistics can also be gathered from this source. For ease of collating and analysis of the data, weekly count sheets could be provided to hotel owners/operators so that information could be compiled in a timely and efficient manner. This would take the same format as the data gathering procedure in Phase I. Calculation of the statistics by the individual operators, should also aid them in improving their knowledge of the business.



Protecting anonymity is also important in conducting of Phase II of this study. We propose that completed forms be sent directly to the consultant, and there, held in strictest confidence. Published statistics would take the form of total room nights sold or available; specific detail as to the number of rooms in a sample area, would at no time be divulged.

Project Cost

Data collection and collation will be the most costly component of the study. As we suggested in Phase I, if hotel operators are properly trained in completion of survey forms, and in the necessity for their prompt return to the consultant, data collection cost should be kept to a minimum. Once the computer program has been developed, which will analyse the raw data provided by the operators, the marketing and operations information should be available on a regular and timely basis.

Total professional fees including design of the computer program, instruction of hotel operators in completion of survey forms, setup and design of survey forms, and reporting structure should not exceed \$1,400 per month plus an initial set up cost of \$4,000, provided the 50% sample is attained. The setup cost would not likely vary to a great extent regardless of how many more than 50% of the properties are interested in completing the surveys. The reporting structure, would require a cost differential from the \$1,400 proposed, only if there are ongoing problems with data reaching the consultant's office. It is likely that cost savings after the first year of operation could be experienced, and we would recommend that monitoring of the consultants and their methodology be undertaken at this time. Any additional out-of-pocket costs would be added to the consultant's monthly invoice for telephone follow-up and report publication and distribution.



CONCLUSION

We concluded that the GNWT's proposal for considering the feasibility of maintaining a long term monitoring program for selected hotels, is positive and highly advantageous. From our discussions with hotel operators, we have determined that there is a high acceptance and willingness to cooperate in of the study. Although concerns regarding confidentiality exist, the initial, enthusiastic support of the operators is encouraging and will be necessary for the long term success of the project.

Conducting the historical analysis (Phase I), may be considered as manipulation of outdated information, but it is important to the long term monitoring program as a proper foundation. Future analysis, in tracking trends must be related to this initial and historic information.

It is essential that time and care be spent in advising the various hotel/motel operators, airlines, campgrounds and outfitters of the importance of collecting primary data from their operations on a timely basis.

The consultant undertaking Phase II must be aware of the peculiarities in an area as diverse as the Northwest Territories. It is important to give appropriate weight to various differences between communities, sample sizing, facilities mix and usage patterns are important. The consultant must carefully instruct the operators in the proper method of completing survey forms for both Phases I and II. The raw data must be completed fully, and in a consistent form as other reporting businesses.



Appendix

List of Hotels Surveyed

Yellowknife	Yellowknife Inn Explorer Hotel Twin Pine Motor Inn
Hay River	Ptarmigan Inn Caribou Motor Inn
Fort Smith	Pelican Rapids Inn Pinecrest Hotel
Fort Simpson	Fort Simpson Hotel Maroda Motel
Inuvik	Eskimo Inn Finto Motor Inn
Norman Wells	Norwell Inn
Rankin Inlet	Rankin Inlet Lodge
Baker Lake	Iglu Inn
Frobisher Bay	Frobisher Inn Navigator Inn
Pond Inlet	Tahoonik-Sahoonik Hotel